



A. RICHARD PUGH
Chairman

January 29, 2004

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20* Street and Constitution Avenue NW
Washington, DC 20551

Re: Proposed rules to establish more uniform standards for providing disclosures under five consumer protection regulations.

Board of Governors:

We are writing in response to your invitation to comment on the proposed new regulations for disclosures in connection with Regulations B, E, M, Z, and DD.

Although we appreciate the intent of The Board to create consistency and more understandable language in the disclosure requirements of these regulations, we are concerned that the cost of complying with these proposals would be very high for our bank. We are concerned not only with the hard costs associated with the implementation of new requirements in the disclosure documents, but also with the potential for considerable differences in interpretation of the proposed language which is likely to lead to more not less confusion and invite legal challenges. No matter how legal challenges are resolved, they always generate significant costs to banks.

We are presently in full compliance with the existing disclosure requirements and while someone may think that there **is** a need to change them, the fact is each of the existing disclosures was written specifically to address the appropriate disclosures for the regulations to which they apply and have not been proven to be inadequate. We are already required to make disclosures "noticeable" and in our view the proposal to make the language "reasonably understandable" will only encourage challenges to whatever language is used. Attempts to make the disclosures for the regulations listed consistent with the requirements for Reg P are not practical since Reg P is much broader in its application than the other regulations and is exempt from civil liability.

We respectfully request that this proposal be reconsidered and withdrawn.

Sincerely,

A. Richard Pugh 
Chairman

ARP/kab